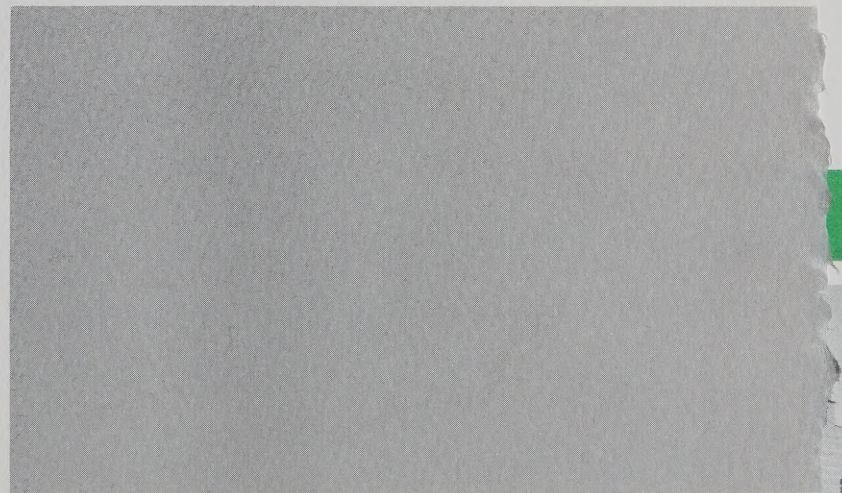
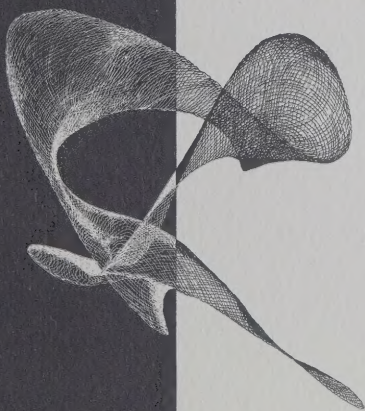




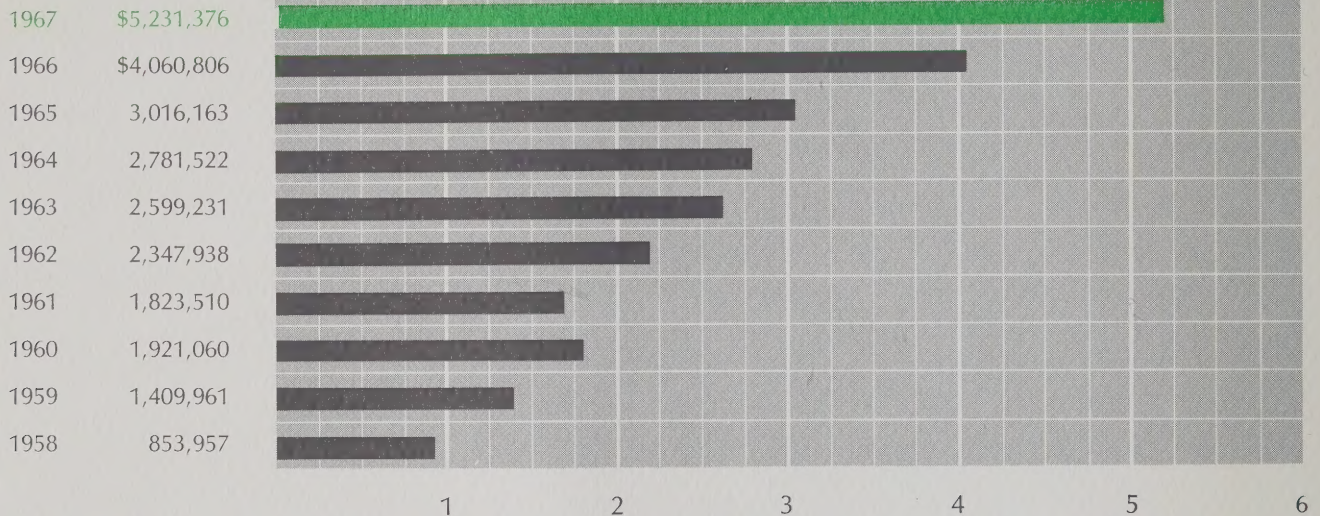
ANNUAL
REPORT
1967



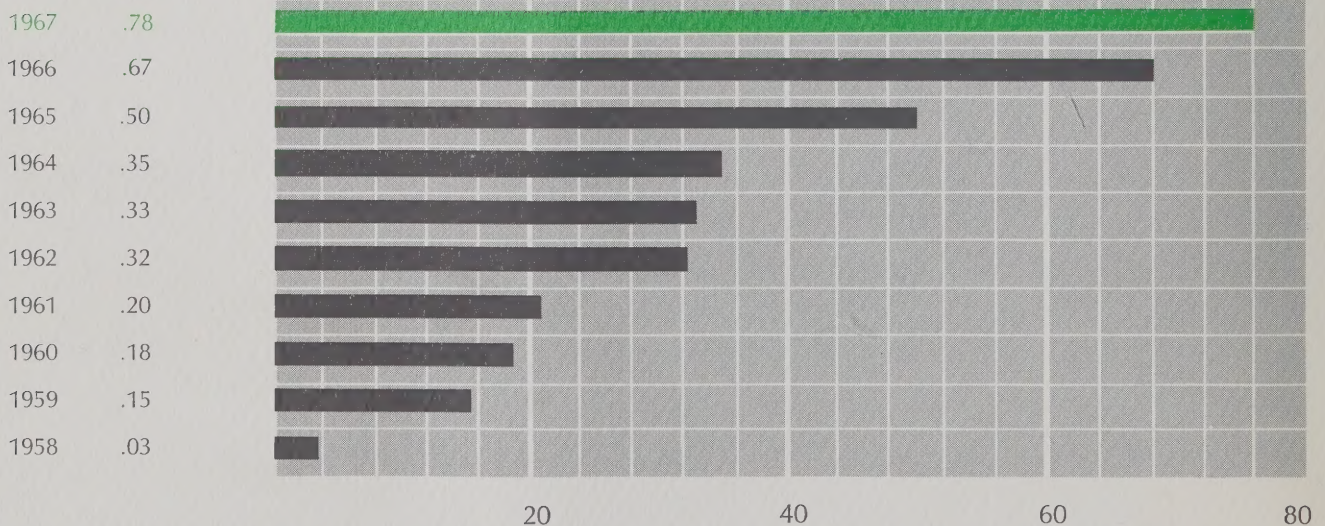


TEN YEAR SALES & EARNINGS RECORD

SALES



EARNINGS PER SHARE



HIGHLIGHTS

... of the Annual Report for the year 1967.

	1967	1966	1965
Net Sales	\$5,231,376	\$4,060,806	\$3,016,163
Net Earnings (after taxes)	310,187	268,845	201,418
Net Earnings per share	.78	.67	.50

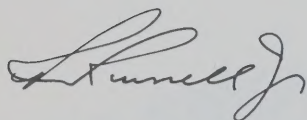
TO OUR SHAREHOLDERS:

Sales and earnings rose to new highs for the year ended March 31, 1967. It was our tenth year of steady improvement in earnings and we expect to continue the up trend in the year ahead.

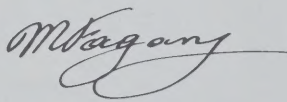
The acquisition of Lightsteel Building Products Limited and Gero Ltee, both of Montreal, has established the company in a leading position in the Quebec market, comparable to that which we enjoy in Ontario. We are pleased to report that Lightsteel-Gero Limited, organized as a wholly-owned subsidiary of Universal Sections Limited, has made a contribution to 1967 net profits, even though only owned for a part of the year. We expect this to improve as the company becomes more completely integrated with Universal.

Conditions affecting the year ahead of us are more promising than last. The extremely difficult conditions in the supply of mortgage money experienced last year appear to be easing. We share the opinion widely held by senior people in government, financing and building that residential construction is entering a long period of expansion in both Canada and the United States.

On behalf of your
Board of Directors



REGINALD RUSSELL, JR.
President



MAURICE FAGAN
Vice-President &
Secretary-Treasurer



TORONTO PLANT



MONTREAL PLANT



METAL LATH AND ACCESSORIES:

WE SELL TO LATHING AND PLASTERING CONTRACTORS

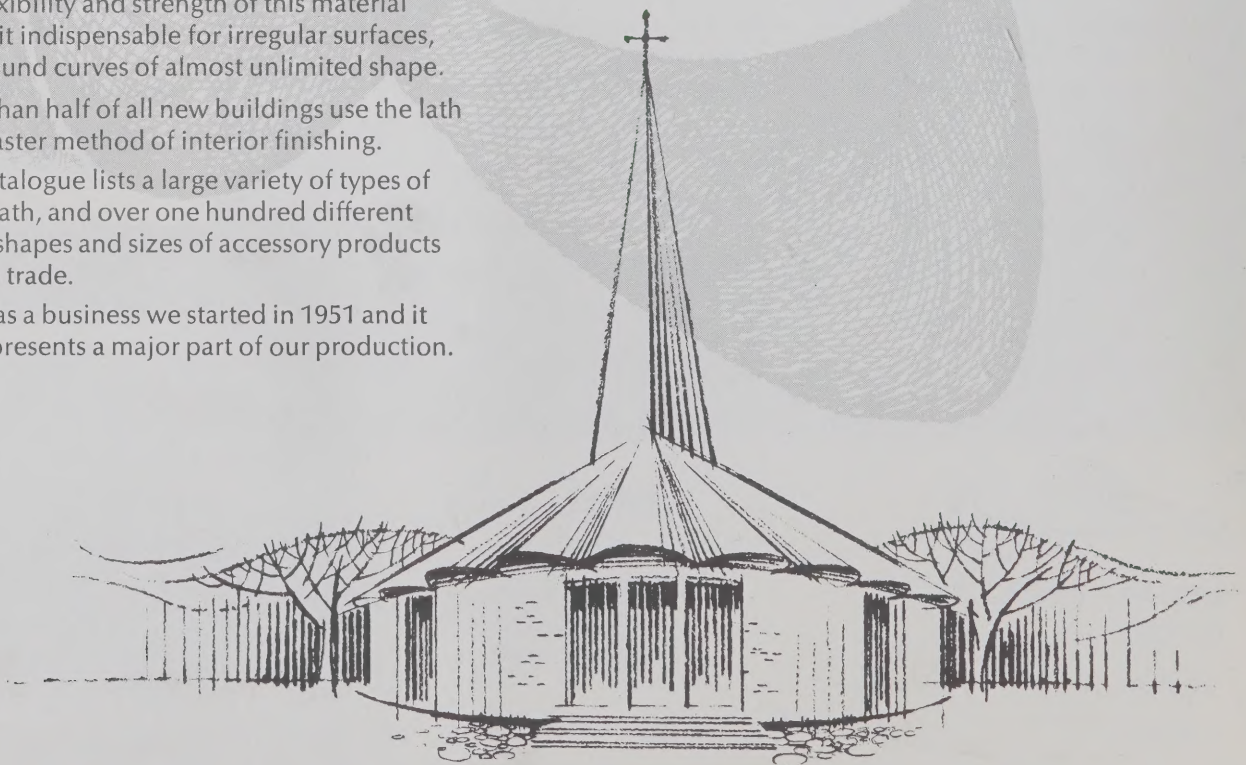
Metal lath is a kind of steel mesh that we produce in sheets to be used as a base or support for plaster finishes on walls and ceilings.

The flexibility and strength of this material makes it indispensable for irregular surfaces, compound curves of almost unlimited shape.

More than half of all new buildings use the lath and plaster method of interior finishing.

Our catalogue lists a large variety of types of metal lath, and over one hundred different types, shapes and sizes of accessory products for this trade.

This was a business we started in 1951 and it still represents a major part of our production.



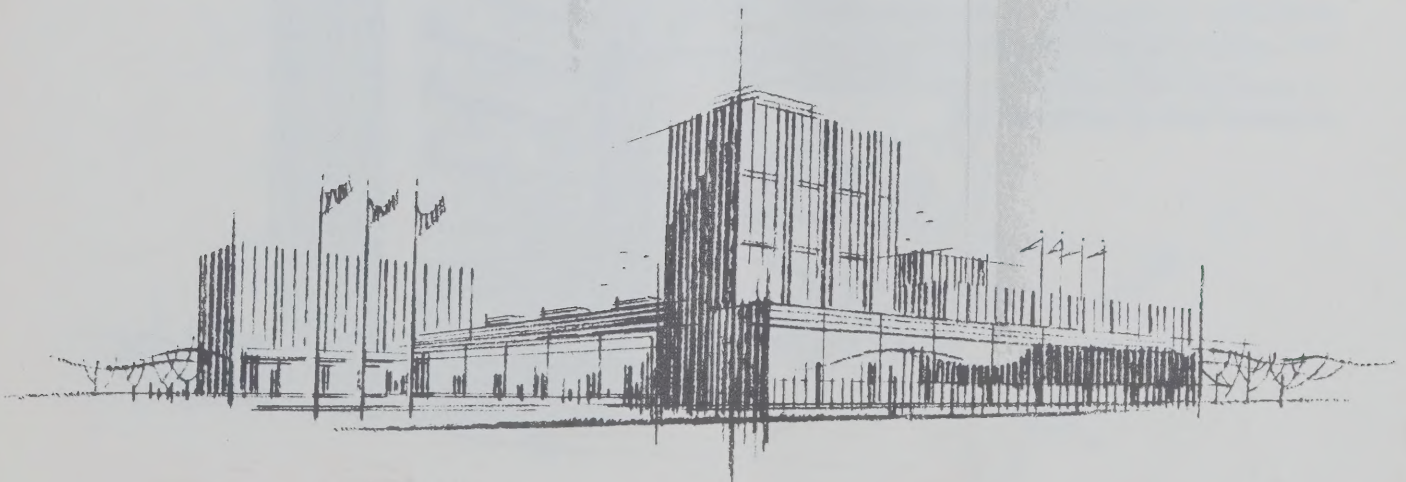
DRYWALL METAL COMPONENTS:

WE SELL TO DRYWALL APPLICATORS:

A new wall and ceiling finishing system with many advantages and features is known as Drywall.

This system does not use plaster. It is a complete wall or ceiling structure composed of metal framing members covered with gypsum wallboard. We supply all the metal components for this type of wall.

As with all of our products, we are proud of our reputation for quality and unique features which contribute to faster and more efficient applications.





CEILING SUSPENSION SYSTEMS:

WE SELL TO ACOUSTIC CEILING CONTRACTORS:

If you've been looking up at acoustic ceilings during recent years, you may be aware of this quiet revolution.

In the last ten years, use of the hung, or suspended ceiling has grown from the case of the exception to the rule. This field is growing ever wider and now is even being used in homes.

If you're a "do-it-yourselfer", you may already have installed some of Universal's suspended ceiling grid yourself.

Practically all institutional and commercial buildings employ this system of ceiling construction for appearance, elimination of distracting noise, and for fire proofing purposes.

Universal produces one of the largest varieties of types of ceiling treatments.



ROLL FORMED STEEL SHAPES:

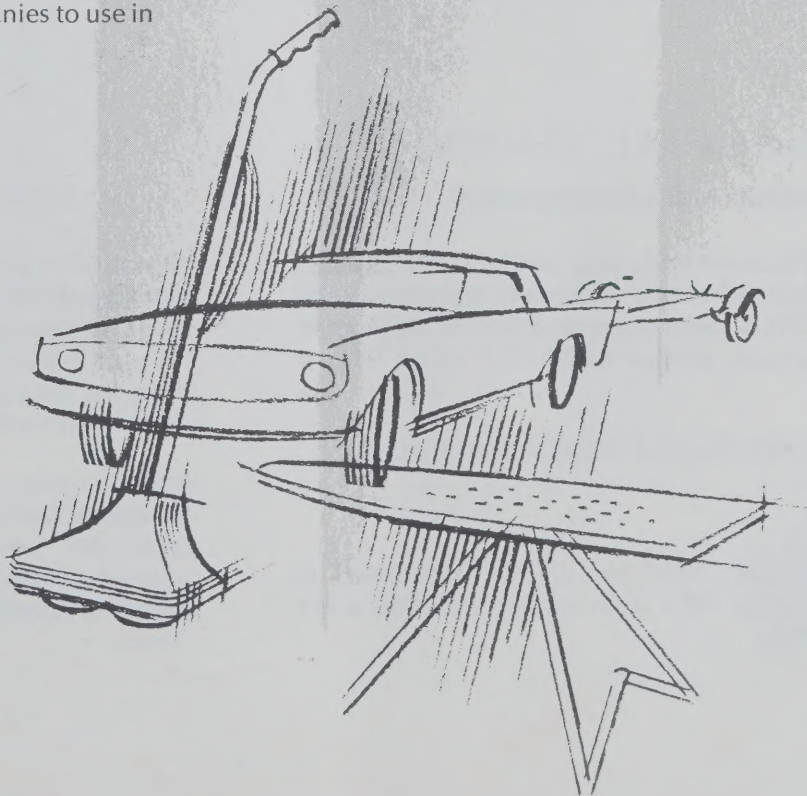
WE SELL TO OTHER PRODUCERS:

With the booming expansion of industry in Canada, we have experienced a heavy demand for custom roll formed steel shapes.

This market appears to be substantial and increasing so our plans include expansion of this phase of our operation.

We are presently producing parts for electrical systems, automobiles, ironing boards, boat trailers and appliances.

These are only a few of the many types of shapes we roll form for other Companies to use in their products.





TEN YEAR STATISTICAL REVIEW

	1967	1966	1965
NET SALES.	5,231,376	4,060,806	3,018,957
Income (before tax)	624,863	485,512	397,000
Net Income (after tax)	310,187	268,845	207,000
Earnings Per Common Share78	.67	.57
Working Capital	989,275	840,541	843,000
Depreciation	91,701	72,814	57,000
Net Property Plant & Equipment	989,338	668,562	600,000
Shareholders' equity	1,117,422	1,049,538	816,000
Shares Outstanding	400,000	400,000	400,000
Number of Shareholders	520	520	520
% of Shares Owned in Canada	99.4%	99.4%	99.4%

FINANCIAL REVIEW

UNIVERSAL'S SALES RISE 29%

1967 saw record sales of \$5,231,376 up from \$4,060,806 in 1966. In the ten years since 1958 sales have grown from \$853,957 to \$5,231,376, an increase of over 500%.

1967 NET PROFITS ADVANCED 16% OVER 1966.

Universal's 1967 net income amounted to \$310,187 or 78¢ a share up from \$268,845 or 67¢ in 1966.

Taxes on income in 1967 were \$314,676 which is a ratio of 50% to income before taxes. In 1966 taxes on income were \$216,667, a ratio of 45% to income before taxes. This increase arises mainly because the company went to the deferred tax basis of accounting.

DIVIDENDS

A total of \$80,000 was paid in common dividends at the semi annual rate of .10 cents per share.

1964	1963	1962	1961	1960	1959	1958
2,781,522	2,599,231	2,347,938	1,823,510	1,921,060	1,409,961	853,957
275,804	256,087	249,269	140,725	135,224	108,693	18,002
141,912	132,760	129,471	79,122	72,141	59,412	13,941
.35	.33	.32	.20	.18	.15	.03
NOTE: FIGURES PRIOR TO 1965 NOT APPLICABLE.						

ACQUISITION OF NEW SUBSIDIARY

Lightsteel-Gero Limited, a wholly owned subsidiary was set up following our acquisition in 1967 of Lightsteel Building Products Ltd. and Gero Ltee.

PLANT EXPANSION

Universal's facilities in Toronto were increased in the past year by the addition of fifteen thousand feet of warehouse space. This brings all plant space owned and leased by the company to a total of approximately 85,000 square feet.

NET FIXED ASSETS INCREASED \$320,776

Through acquisition and purchases of new equipment, Net Property, plant and equipment owned by the company, increased to \$989,338 in 1967 up by \$320,776 over 1966.





UNIVERSAL SECTIONS LIMITED

Incorporated under the laws of Ontario and subsidiary companies

CONSOLIDATED BALANCE SHEET — MARCH 31, 1967

(with comparative figures for 1966)

ASSETS

	1967	1966
CURRENT ASSETS		
Accounts receivable less allowance for doubtful accounts	1,849,385	1,374,654
Notes receivable.	17,519	
Inventories (note 2)	1,049,231	574,077
Prepaid expenses	25,824	6,279
	<u>2,941,959</u>	<u>1,955,010</u>
INVESTMENTS		
Shares in and advances to 50% owned companies		
Shares at cost (no quoted market value)	10,050	114,567
Advances	19,000	19,000
Mortgage receivable.	28,860	30,000
Other, at cost.	6,000	3,000
	<u>63,910</u>	<u>166,567</u>
FIXED ASSETS (Note 3)		
Land, buildings and equipment, at cost.	1,843,297	1,092,544
Less accumulated depreciation	853,959	423,982
	<u>989,338</u>	<u>668,562</u>
OTHER ASSETS		
Special refundable tax	11,132	
Patents, at cost less amortization.	1,685	1,336
Incorporation expense		2,532
	<u>12,817</u>	<u>3,868</u>
	<u>\$4,008,024</u>	<u>\$2,794,007</u>

The accompanying notes are an integral part of this statement.

APPROVED ON BEHALF OF THE BOARD

.....*L. H. H. H.*..... Director

.....*M. J. J. J.*..... Director

LIABILITIES

CURRENT LIABILITIES	1967	1966
Bank advances against which book debts and inventories have been pledged	966,937	314,443
Accounts payable and accrued liabilities	690,358	559,156
Notes payable		69,517
Income taxes payable	221,160	136,353
Instalments due within one year on long-term liabilities	74,229	35,000
	<u>1,952,684</u>	<u>1,114,469</u>
LONG-TERM LIABILITIES (Note 4)	<u>828,915</u>	<u>630,000</u>
DEFERRED INCOME TAXES (Note 5)	<u>109,003</u>	

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized, 600,000 shares without par value		
Issued, 400,000 shares	15,831	15,831
RETAINED EARNINGS	1,101,591	1,033,707
	<u>1,117,422</u>	<u>1,049,538</u>
	<u>\$4,008,024</u>	<u>\$2,794,007</u>

CONTINGENT LIABILITIES (Note 6)

This is the balance sheet referred to in our report to the shareholders dated June 16, 1967.

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants



UNIVERSAL SECTIONS LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME

Year ended March 31, 1967
(with comparative figures for 1966)

	1967	1966
Sales	\$5,231,376	\$4,060,806
Cost of sales and expenses other than undernoted items	4,335,160	3,365,492
	<u>896,216</u>	<u>695,314</u>
Depreciation	91,701	72,814
Remuneration of directors	78,102	69,540
Interest on long-term liabilities	53,406	39,034
Other interest expense	48,144	28,414
	<u>271,353</u>	<u>209,802</u>
Income before undernoted taxes	624,863	485,512
Taxes on income (note 5)	314,676	216,667
NET INCOME FOR YEAR	<u>\$ 310,187</u>	<u>\$ 268,845</u>
Net income per share78	.67

STATEMENT OF RETAINED EARNINGS

Year ended March 31, 1967
(with comparative figures for 1966)

Retained earnings at beginning of year	1,033,707	800,175
ADD		
Net income for year	310,187	268,845
Adjustment of estimated debenture financing costs		2,187
	<u>1,343,894</u>	<u>1,071,207</u>
DEDUCT		
Dividends paid	80,000	30,000
Excess of cost of shares in subsidiary companies over net book value acquired	140,031	
Deferred income taxes applicable to prior years	19,740	
Incorporation expenses written off	2,532	
Pension plans past service contribution (net)		7,500
	<u>242,303</u>	<u>37,500</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$1,101,591</u>	<u>\$1,033,707</u>



UNIVERSAL SECTIONS LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Year ended March 31, 1967 (with comparative figures for 1966)		1967	1966
SOURCE OF FUNDS				
Operations				
Net income for year			310,187	268,845
Add items not involving an outlay of funds				
Depreciation			91,701	72,814
Deferred income taxes			87,540	
			<u>489,428</u>	<u>341,659</u>
Proceeds from long-term liabilities			279,980	
Decrease in investments			102,657	
			<u>872,065</u>	<u>341,659</u>
APPLICATION OF FUNDS				
Fixed asset additions			412,477	140,510
Increase in investments				134,517
Excess of cost of shares in subsidiary companies over net book value acquired			140,031	
Instalments due within one year on long-term liabilities including instalments paid during year			81,065	35,000
Dividends paid			80,000	30,000
Other			9,758	4,914
			<u>723,331</u>	<u>344,941</u>
INCREASE (DECREASE) IN WORKING CAPITAL			148,734	(3,282)
WORKING CAPITAL AT BEGINNING OF YEAR			840,541	843,823
WORKING CAPITAL AT END OF YEAR			<u>\$989,275</u>	<u>\$840,541</u>

AUDITORS' REPORT

To the Shareholders of
Universal Sections Limited

We have examined the consolidated balance sheet of Universal Sections Limited and subsidiary companies as at March 31, 1967 and the consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned consolidated financial statements present fairly the financial position of the companies as at March 31, 1967 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change in accounting practice explained in note 3, which change we approve.

TORONTO, CANADA
June 16, 1967

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants



UNIVERSAL SECTIONS LIMITED

AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 1967

1. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the wholly-owned subsidiary companies, Lightsteel-Gero Limited and Lightsteel Building Products Limited. The statement of income reflects the results of their operations from the date of acquisition, July 5, 1966.

2. INVENTORIES

	1967	1966
Raw materials and supplies, at the lower of cost and replacement cost	539,620	381,725
Finished goods, at the lower of cost and net realizable value	509,611	192,352
	<u>\$1,049,231</u>	<u>\$574,077</u>

4. (Cont.)—

Lightsteel-Gero Limited

7% mortgage, repayable in equal payments on account of principal and interest, \$2,000 per month to July 5, 1967 and \$3,000 per month thereafter to maturity on July 5, 1969

193,164

903,144 665,000

Less instalments due within one year included under current liabilities	74,229	35,000
	<u>\$828,915</u>	<u>\$630,000</u>

5. DEFERRED INCOME TAXES

It is the company's practice to claim for income tax purposes the maximum capital cost allowances in respect of

3. FIXED ASSETS

	1967			1966
	Cost	Accumulated Depreciation	Net	Net
Land.....	119,000		119,000	57,000
Buildings.....	565,086	108,249	456,837	381,738
Machinery and equipment.....	1,048,775	684,076	364,699	215,526
Office and automotive equipment.....	110,436	61,634	48,802	14,298
	<u>\$1,843,297</u>	<u>\$853,959</u>	<u>\$989,338</u>	<u>\$668,562</u>

(3a).

In prior years the company provided depreciation in its accounts on the diminishing balance method at essentially the maximum rates allowed for income tax purposes. Effective April 1, 1966 the company changed its accounting practice to provide depreciation in the accounts on the straight line method based on the expected useful lives of the assets. This change had the effect of increasing net income for 1967 by \$21,990 after allowing for the related increase in provision for income taxes (see note 5).

depreciable fixed assets. Such allowances for 1967 are in excess of depreciation provided in the accounts. The resulting reduction of \$87,540 in income taxes currently payable has been charged against 1967 earnings and included in the amount of \$109,003 shown as deferred income taxes on the balance sheet to be taken into earnings of future years when allowances for income tax purposes may be less than the related amounts recorded in the accounts.

4. LONG-TERM LIABILITIES

	1967	1966
Universal Sections Limited		
6% Sinking fund debenture maturing May 15, 1985, annual sinking fund requirement \$35,000	630,000	665,000
Non-interest bearing note, \$19,995 maturing annually July 31, 1967-1970	79,980	
	<u>709,980</u>	<u>665,000</u>

6. CONTINGENT LIABILITIES

The company is contingently liable in the amount of \$63,000 as at March 31, 1967 as guarantor of bank loans to 50% owned companies.

The company has received income tax re-assessments aggregating approximately \$28,150 in respect to the 1964 fiscal years of two predecessor companies. No provision for these re-assessments has been made in the accompanying statements, reflecting the company's position in its appeal that the predecessor companies had no liability for such re-assessments.

CORPORATE INFORMATION

DIRECTORS	Reginald M. Russell Jr. Bernard H. Barris Maurice Fagan *Donald Fraser *David Fry
OFFICERS	Reginald M. Russell, Jr., President Maurice Fagan, Vice-President and Secretary-Treasurer Bernard H. Barris, Vice-President
BANKERS	The Canadian Imperial Bank of Commerce
TRANSFER AGENT AND REGISTRAR	Canada Permanent Trust Company
TRUSTEE	Twenty year 6 ¹ / ₂ % Debentures The Canada Trust Company
AUDITORS	Thorne, Gunn, Helliwell & Christenson
FISCAL AGENTS	David Fry, Fraser and Company Limited
COMMON SHARES	Listed Toronto Stock Exchange

*Principals of the firm of David Fry, Fraser and Company Ltd.

UNIVERSAL SECTIONS LIMITED

100 Canadian Road, Scarborough, Ontario

